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SAFETY NET FOR ABUSED PERSONS, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2002

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Release Date 1/22/03

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT ON THE FINANCAL STATEMENTS	1 – 2
FINANCIAL STATEMENTS	
Statements of financial position	3
Statement of activities	4 – 5
Statements of cash flow	6
Notes to financial statements	7 – 13
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	15 – 16
Schedule of findings and questioned costs	17 – 18
Schedule of prior year findings	19
Data Collection Form	20

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Safety Net for Abused Persons, Inc.
New Iberia, Louisiana

We have audited the accompanying statements of financial position of Safety Net for Abused Persons, Inc. (a non-profit organization) as of June 30, 2002 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of the Organization as of June 30, 2001, were audited by other auditors and whose report dated October 4, 2001, expressed an unqualified opinion on those statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Safety Net For Abused Persons, Inc. as of June 30, 2002, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 18, 2002, on our consideration of Safety Net For Abused Persons, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Guidry, Chauvin & Taylor
A Corporation of Certified Public Accountants

Franklin, Louisiana
December 18, 2002

FINANCIAL STATEMENTS

SAFETY NET FOR ABUSED PERSONS, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2002 and 2001

ASSETS	<u>2002</u>	<u>2001</u>
CURRENT ASSETS		
Cash	\$ 3,442	\$ 52,799
Accounts receivable	1,065	2,131
Due from other agencies	102,666	29,504
Inventory	<u>1,711</u>	<u>844</u>
Total current assets	<u>108,884</u>	<u>85,278</u>
FIXED ASSETS		
Property and equipment, net	<u>175,586</u>	<u>139,494</u>
SECURITY DEPOSIT	<u>92</u>	<u>92</u>
Total assets	<u>\$ 284,562</u>	<u>\$ 224,864</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 6,902	\$ -
Accrued liabilities	7,870	7,559
Income tax payable	1,804	2,201
Deferred revenue	5,500	3,509
Current portion of note payable	-	4,350
Current portion of mortgage payable	<u>-</u>	<u>2,358</u>
Total current liabilities	<u>22,076</u>	<u>19,977</u>
LONG-TERM LIABILITIES		
Mortgage payable, less current portion	<u>83,506</u>	<u>65,893</u>
Total liabilities	<u>105,582</u>	<u>85,870</u>
NET ASSETS		
Unrestricted	158,025	132,586
Temporarily restricted	<u>20,955</u>	<u>6,408</u>
	<u>178,980</u>	<u>138,994</u>
Total liabilities and net assets	<u>\$ 284,562</u>	<u>\$ 224,864</u>

See Notes to Financial Statements

SAFETY NET FOR ABUSED PERSONS, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2002

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 51,675	\$ -	\$ 51,675
Grant revenue	311,802	17,859	329,661
Fundraising events	543,087	-	543,087
Interest revenue	437	-	437
Miscellaneous revenue	2,485	-	2,485
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>3,312</u>	<u>(3,312)</u>	<u>-</u>
Total revenues, gains and other support	<u>912,798</u>	<u>14,547</u>	<u>927,345</u>
EXPENSES AND LOSSES			
Program expenses	293,578	-	293,578
General and administrative expenses	83,561	-	83,561
Fundraising expenses	<u>510,220</u>	<u>-</u>	<u>510,220</u>
Total expenses	<u>887,359</u>	<u>-</u>	<u>887,359</u>
Change in net assets	25,439	14,547	39,986
Net assets at beginning of year	<u>132,586</u>	<u>6,408</u>	<u>138,994</u>
Net assets at end of year	<u>\$ 158,025</u>	<u>\$ 20,955</u>	<u>\$ 178,980</u>

See Notes to Financial Statements

SAFETY NET FOR ABUSED PERSONS, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2001

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 32,798	\$ -	\$ 32,798
Grant revenue	283,491	5,005	288,496
Fundraising events	561,587	-	561,587
Interest revenue	205	-	205
Miscellaneous revenue	2,526	-	2,526
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>16,479</u>	<u>(16,479)</u>	<u>-</u>
Total revenues, gains and other support	<u>897,086</u>	<u>(11,474)</u>	<u>885,612</u>
 EXPENSES AND LOSSES			
Program expenses	259,250	-	259,250
General and administrative expenses	71,774	-	71,774
Fundraising expenses	<u>515,720</u>	<u>-</u>	<u>515,720</u>
 Total expenses	<u>846,744</u>	<u>-</u>	<u>846,744</u>
 Change in net assets	50,342	(11,474)	38,868
 Net assets at beginning of year	<u>82,244</u>	<u>17,882</u>	<u>100,126</u>
 Net assets at end of year	<u>\$ 132,586</u>	<u>\$ 6,408</u>	<u>\$ 138,994</u>

See Notes to Financial Statements.

SAFETY NET FOR ABUSED PERSONS, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 39,986	\$ 38,868
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,868	9,371
Loss on disposal of fixed assets	-	47
Increase in due from other agencies	(73,162)	(1,871)
(Increase) decrease in accounts receivable	1,066	(2,131)
Increase in inventory	(867)	-
Decrease in security deposits	-	257
Increase (decrease) in accounts payable	6,902	(9,516)
Increase (decrease) in accrued liabilities	311	(3,508)
Increase (decrease) in income tax payable	(397)	990
Decrease in due to other agencies	-	(374)
Increase in deferred revenue	<u>1,991</u>	<u>1,492</u>
Net cash provided (used) by operating activities	<u>(12,302)</u>	<u>33,625</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	<u>(47,960)</u>	<u>(5,995)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of note payable	-	-
Principal payments on note payable	(4,350)	(7,525)
Principal payments on mortgage payable	<u>15,255</u>	<u>(6,509)</u>
Net cash provided by (used in) financing activities	<u>10,905</u>	<u>(14,034)</u>
 Net increase in cash	(49,357)	13,596
 Cash at beginning of year	<u>52,799</u>	<u>39,203</u>
 Cash at end of year	<u>\$ 3,442</u>	<u>\$ 52,799</u>
 SUPPLEMENTAL DATA		
Interest paid	<u>\$ 5,072</u>	<u>\$ 5,806</u>

See Notes to Financial Statements.

SAFETY NET FOR ABUSED PERSONS, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1: Nature of Organization and Significant Accounting Policies

Nature of organization:

Safety Net For Abused Persons, Inc. (SNAP), is a non-profit organization that provides a wide range of services to victims of domestic violence. Its core service is providing shelter and support for victims and children. In addition, a 24-hour crisis line, individual assessment, and case management are provided. SNAP is also actively involved with community education including law enforcement training and support groups. SNAP coordinates domestic abuse intervention through the court system and provides mandated education for abusers.

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting.

The Organization is an exempt organization for Federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code. However, certain fundraising activities of the Organization are not specifically exempt from income tax as further discussed in Note 11.

Significant accounting policies:

Support and expenses:

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets in the statement of activities as net assets released from restrictions. The Organization relies heavily on grants (government and other) and general public donations to support its operations.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Allowance for doubtful accounts:

The Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Property and equipment:

Purchased property and equipment are recorded at cost at the date of acquisition. Property and equipment purchased with grant funds are recorded as temporarily restricted contributions. In the absence of donor stipulations regarding how long the assets must be used, that organization has adopted a policy of implying a time restriction that expires over the useful life of the assets. Depreciation is computed by the straight-line method based on the following estimated lives:

	<u>Years</u>
Buildings and improvements	27 ½
Furniture and equipment	5 – 7

SAFETY NET FOR ABUSED PERSONS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1: Nature of Organization and Significant Accounting Policies (Continued)

Compensated absences:

Employees of SNAP earn annual leave in varying amounts depending upon length of service. Sick leave is earned at the rate of one day a month. Upon termination, no payment is made for unused sick leave, but accrued annual leave is paid up to a maximum of 24 months of accrual. At June 30, 2002 and 2001, accrued annual leave totaled \$5,304 and \$6,688, respectively.

Donated services:

SNAP receives donated services from unpaid volunteers who assist in program services during the year; however, these donated services are not reflected in the statement of activity because the criteria for recognition under SFAS No. 116 have not been satisfied.

Cash and cash equivalents:

For the purposes of the statement of cash flows, SNAP considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Advertising:

Advertising costs are expensed as incurred. Advertising expense was \$2,556 in 2002 and \$4,382 in 2001.

Note 2: Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3: Due from Other Agencies

Due from other agencies consisted of the following at June 30, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
State of Louisiana -		
USDA grant	2,795	1,428
OWS grant	47,652	11,387
TANF grant	46,807	-
CVA grant	3,402	10,028
VAWA grant	1,154	2,466
ESGP grant	856	-
Louisiana Bar Foundation	-	4,195
	<u>\$ 102,666</u>	<u>\$ 29,504</u>

SAFETY NET FOR ABUSED PERSONS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 4: Natural Classification of Expenses

Expenses incurred were the following for the years ended June 30, 2002 and 2001, respectively:

2002	Victim Support and Shelter	General and Administrative	Fundraising	Total
Salaries	\$ 170,611	\$ 56,870	\$ 26,743	\$ 254,224
Payroll taxes	14,809	4,936	2,321	22,066
Advertising	-	-	2,556	2,556
Depreciation	11,868	-	-	11,868
Dues and subscriptions	-	765	-	765
Insurance	20,135	6,724	-	26,859
Legal and accounting	7,391	359	1,759	9,509
Licenses and fees	-	-	75	75
Office	3,458	388	-	3,846
Rent	-	2,955	30,285	33,240
Prizes	-	-	393,128	393,128
Supplies	34,236	2,497	44,372	81,105
Telephone	6,304	701	-	7,005
Travel and conferences	6,258	695	6	6,959
Security	-	-	2,500	2,500
Utilities	5,972	664	-	6,636
Repairs and maintenance	7,971	886	-	8,857
Interest	4,565	507	-	5,072
Other	-	4,614	3,949	8,563
Income tax/penalties	-	-	2,526	2,526
	<u>\$ 293,578</u>	<u>\$ 83,561</u>	<u>\$ 510,220</u>	<u>\$ 887,359</u>

SAFETY NET FOR ABUSED PERSONS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 4: Natural Classification of Expenses (Continued)

2001	Victim Support and Shelter	General and Administrative	Fundraising	Total
Salaries	\$ 166,199	\$ 52,680	\$ 27,894	\$ 246,773
Payroll taxes	13,902	4,030	2,134	20,066
Advertising	1,382	-	3,000	4,382
Bank charges	-	-	433	433
Depreciation	9,371	-	-	9,371
Dues and subscriptions	-	840	-	840
Insurance	16,270	3,726	-	19,996
Legal and accounting	7,787	264	2,250	10,301
Licenses and fees	-	50	125	175
Office	1,903	212	-	2,115
Rent	600	5,323	30,600	36,523
Prizes	-	-	396,945	396,945
Supplies	13,144	1,461	43,772	58,377
Telephone	7,852	872	-	8,724
Travel and conferences	4,939	549	-	5,488
Security	-	-	2,550	2,550
Utilities	7,016	780	-	7,796
Repairs and maintenance	3,659	406	-	4,065
Interest	5,226	581	-	5,807
Other	-	-	3,064	3,064
Income tax/penalties	-	-	2,953	2,953
	<u>\$ 259,250</u>	<u>\$ 71,774</u>	<u>\$ 515,720</u>	<u>\$ 846,744</u>

Note 5: Property and Equipment

Property and equipment consisted of the following at June 30, 2002 and 2001:

	2002	2001
Land	\$ 28,000	\$ 28,000
Buildings and improvements	181,291	151,191
Furniture and equipment	<u>59,446</u>	<u>41,586</u>
	268,737	220,777
Less accumulated depreciation	<u>(93,151)</u>	<u>(81,283)</u>
	<u>\$ 175,586</u>	<u>\$ 139,494</u>

SAFETY NET FOR ABUSED PERSONS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 6: Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods as of June 30, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Depreciation of equipment purchased with federal grant funds	<u>\$ 20,955</u>	<u>\$ 6,408</u>

Note 7: Net Assets Released from Restrictions

Net assets were released from restrictions by incurring expenses satisfying the expiration of time for the years ended June 30, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Emergency Shelter Grants Program	\$ -	\$ 15,474
Domestic Violence Program	-	801
Emergency Food and Shelter Program	-	65
Office of Women's Services Program	-	139
	<u>\$ -</u>	<u>\$ 16,479</u>

Note 8: Summary of Grants/Contracts Funding

SNAP was funded through the following grants and contracts for the year ended June 30, 2002:

<u>Funding Source</u>	<u>Award Number</u>	<u>Recognized Support</u>
Louisiana Commission on Law Enforcement:		
Domestic Violence Program	C00-4-004	\$ 17,787
Domestic Violence Program	C01-4-004	40,377
Domestic Violence Program	M00-8-012	19,476
State of Louisiana:		
Office of Women's Services	CFMS #576158	198,970
Departments of Education Child and Adult Care Food Program	CACFP2000-09	1,051
Departments of Education Child and Adult Care Food Program	CACFP2001-09	6,968
Louisiana Bar Foundation:		
IOLTA Grant Program	2001-037	16,399
IOLTA Grant Program	2002-041	11,633
City of New Iberia:		
Emergency Shelter Grant Program	CFMS #570998	12,000
United States Department of Agriculture:		
Emergency Food and Shelter Program	CFDA 83.523	<u>5,000</u>
		<u>\$ 329,661</u>

SAFETY NET FOR ABUSED PERSONS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 9: Mortgage Payable

At June 30, 2002, SNAP had a mortgage payable to a bank totaling \$83,506, bearing interest at the rate of 6.75%. The mortgage is payable in monthly installments of \$656, which includes interest, with a final payment of the entire unpaid balance of principal and interest due on April 9, 2005. The mortgage is secured by the SNAP building. Maturities by year, including interest of \$5,705, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2003	\$ 2,197
2004	2,349
2005	<u>78,960</u>
	<u>\$ 83,506</u>

Note 10: Income Taxes on Unrelated Business Income

SNAP has incurred unrelated business income tax on certain fundraising activities not specifically excluded by federal statutes. Income taxes have been provided as follows at June 30, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Federal tax provision	<u>\$ 1,804</u>	<u>\$ 2,201</u>
Cash payments for income tax during the period	<u>\$ 2,201</u>	<u>\$ 1,211</u>

Note 11: Contingent Liabilities

SNAP receives grants for specific purposes that are subject to review and audit by the agency providing the funding. Such reviews and audits could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE AND INTERNAL CONTROL
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

MARSHALL W. GUIDRY, CPA
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASES ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Safety Net for Abused Persons, Inc.
New Iberia, Louisiana

We have audited the financial statements of Safety Net for Abused Persons, Inc. as of and for the year then ended June 30, 2002, and have issued our report thereon dated December 18, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance on noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2002-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2002-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is a material weakness.

This report is intended solely for the information and use of management, others within the Organization, and federal awarding agencies and pass-through entities and its not intended to be and should not be used by anyone other than these specified parties.

Guidry, Chauvin & Taylor
A Corporation of Certified Public Accountants

Franklin, Louisiana
December 18, 2002

SAFETY NET FOR ABUSED PERSONS, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2002**

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unqualified opinion has been issued on the financial statements of Safety Net for Abused Persons, Inc. as of and for the year ended June 30, 2002.

Reportable Conditions – Financial Statements

One reportable condition in internal control over financial reporting was disclosed during the audit of the financial statements.

Material Noncompliance – Financial Reporting

One material instance of noncompliance was noted during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2002.

Part 2: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

2002-1 Claims for Reimbursement

Finding: Conditions were encountered when testing the claims for reimbursement for the various grants. The conditions encountered are detailed below.

1. A salary amount in the amount of \$771 was included twice on two different grant reimbursement requests. The 2/15/2002 payroll for an employee was included in both the OWS-Federal reimbursement and the TANF grant reimbursement requests. This amount, in addition to the related fringes of \$59, results in questioned costs of \$830.
2. Although the total reimbursements requested for wages under the OWS Federal and State grants equals the budgeted amounts, there were wage reimbursements requested for individual employees not detailed in the budget narrative or in the budget revision. These additional wages were offset by reimbursements for employees detailed in the budget which were less than the budgeted amounts.

Recommendation: Established procedures should be followed to ensure that claims for reimbursement are in agreement with expenses paid. Also, budget revisions should be prepared in a manner that accurately reflects the employees, and their related costs, who are providing services under the applicable grant programs.

SAFETY NET FOR ABUSED PERSONS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2002

Part 3: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2002, the Safety Net for Abused Persons, Inc. did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

SAFETY NET FOR ABUSED PERSONS, INC.

**MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
Year Ended June 30, 2002**

Response to Finding 2002-1:

We are currently generating general ledger reports for each grant request detailing supporting documentation for the reimbursement requests. The reimbursement requests are prepared by our bookkeeper and are reviewed by the executive director for accuracy. The finding in question occurred when the employee was transferred from the OWS grant to the TANF grant in the middle of the month. When the reimbursement request was prepared for that month, the OWS grant was prepared as it had normally been prepared using this employee's wages in the request. Then the initial TANF request was prepared and the employee was included since she was providing services under the TANF grant. The inclusion of the 2/15/2002 payroll for the employee was simply an oversight and has not re-occurred to date.

With respect to the budget, the employees not listed in the budget were part-time employees. We will review our budget submissions/revisions to include all employees, including part-time, in the applicable budget documents.

SAFETY NET FOR ABUSED PERSONS, INC.

**SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2002**

Section I. Internal Control and Compliance Material to the Financial Statements

2001-1 Claims for Reimbursement

Recommendation: Procedures need to be established to ensure that claims for reimbursement are prepared accurately for all grants and that the amounts claimed agree to the expenses paid.

Current Status: Although procedures have been established, there were findings in the current year as noted at 2002-1.

Section II. Internal Control and Compliance Material to Federal Awards

This section was not applicable.

Section III. Management Letter

The prior year's report did not include a management letter.